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# Consolidated Gold Fields Limited

85th ANNUAL REPORT

1972



# Consolidated Gold Fields Limited

Incorporated in the United Kingdom

## Notice of Annual General Meeting

The Annual General Meeting of Consolidated Gold Fields Limited will be held at The Chartered Insurance Institute 20 Aldermanbury London EC2, on Tuesday, 21 November 1972 at 11.30 am, for the transaction of the following business:

- 1 To receive and consider the audited accounts for the year ended 30 June 1972, together with the report of the Directors, and to declare a final dividend of 4.6p per share, less tax, on the Ordinary shares.
- 2 To re-elect the following Directors:
  - (a) Sir George Harvie-Watt
  - (b) Mr A Louw
  - (c) Sir Brian Massy-Greene
  - (d) Mr J R A M Storar
  - (e) Mr R W Amey
- 3 To authorise the Directors to fix the remuneration of the Auditors.

By Order of the Board  
J R Stewardson  
Secretary  
27 October 1972

### Notes

Only members holding Ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the meeting. A member so entitled may appoint a proxy, who need not be a member, to attend and vote on his behalf. A form of proxy is enclosed.

Holders of share warrants to bearer who wish to be present or represented at the meeting may obtain the necessary information regarding the formalities to be complied with from the registered office of the Company.

The register of Directors' interests, together with copies of contracts of service between the Directors and the Company or any of its subsidiaries, will be available for inspection at the registered office of the Company during normal business hours until the date of the Annual General Meeting and on that day at the place of the meeting from 11.15 am until its conclusion.



# Annual Report 1972

Contents	Page
The Environment	3
Directors	4
Group offices overseas	5
Report of the Directors	6
Salient features	9
Group operations	10
Report of the auditors	24
Group profit and loss account	25
Group balance sheet	26
Company balance sheet	27
Notes to the accounts	28
Source and application of Group funds	35
Group turnover and profit	36
Analysis of Group revenue	37
Ten year financial summary	38
Principal subsidiaries and principal Group interests	40
Other Group interests	42
Directors' interests	43
Company calendar 1972	44

*Throughout this Report all tonnages shown are metric*

# The Environment

All industry, particularly companies engaged in the extraction of minerals, has been the subject of criticism recently because of the impact of their activities on the environment. It is right that there should be open debate on the subject and that all aspects should be considered in order to achieve a proper balance in the interest of the community as a whole. The standard of living of the ever-growing world population depends on the availability and development of natural resources.

Mining involves a change in the appearance of the countryside due to the need to dispose of large quantities of waste material remaining after the extraction of economic minerals. The surface mining of bulk materials such as stone for road surfacing also inevitably changes the landscape. In past years when population pressures were not as great as now, and when planning and other protective legislation did not exist, little was done to minimise the physical effect of extractive operations. In the United Kingdom and other countries there are many examples of this.

Nevertheless, many natural resource companies, including Gold Fields, took action to tackle this problem long before the matter became a political issue and the subject of legislation. The Group's South African companies pioneered the grassing of surface dumps of waste material. Effluent from their metallurgical operations has over very many years been treated and recycled. In Australia, Gold Fields' companies have played a leading role in rehabilitating beaches which have been mined for rutile, zircon and other mineral sands.

Gold Fields' extractive operations on any scale in the United Kingdom are comparatively recent. They began with the acquisition of a substantial stake in the construction materials industry through Greenwoods in 1967 and Amalgamated Roadstone in 1968. In addition to the large number of existing sand, gravel, quarrying and other operations of these companies, there were substantial areas of worked-out land. ARC is steadily rehabilitating these old workings: for example, gravel pits are being restored to agricultural use, and others are being redeveloped as water sports centres or recreation parks.

At the same time, continuing efforts are being made to improve the environmental aspects of existing operations.

Before deciding to bring the Wheal Jane tin mine in Cornwall into production, Gold Fields held discussions with local authorities, architects and landscape consultants. All buildings have been designed to blend as far as possible with the surroundings. Already one thousand trees and shrubs have been planted and the contouring and grassing over of waste material will be carried out as a continuous process throughout the life of the mine.

Wheal Jane is the first development from the mining exploration programme Gold Fields has been undertaking in the United Kingdom in recent years. The British Isles used to be an important producer of base metals, but now imports between £600 and £700 million of non-ferrous concentrates and metals annually. The discovery and development of new mineral resources would result in significant savings to the balance of payments, thus benefiting the nation as a whole. It is essential, therefore, that the mineral potential of the country be reassessed by modern exploration techniques and in the light of new technical processes. The Mineral Exploration Grants Scheme introduced recently emphasises the importance the Government places on such a reassessment.

There is an important distinction between other industries and the extractive industry. Minerals are found only where they have been deposited by geological action and, therefore, unlike most other industries the mining industry cannot choose the site of its operations. Nevertheless, mining companies recognise that in certain areas, it may be in the national interest that their operations should be subject to special safeguards if Government so decides.

Extractive industry—metals and non-metallic materials, including oil and coal—and agriculture are the mainstays of the world economy. Their effective development must be reconciled with the international concern regarding the environment. If Governments and Industry adopt a forward-looking and responsible attitude, a proper balance can be achieved.



# Directors

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J D McCall

**Chairman**

G J Mortimer MBE  
M E Rich

**Deputy Chairmen**

R. W. Amey  
Major-General J H S Bowring CB OBE MC  
W J Busschau  
The Rt Hon the Viscount Caldecote DSC  
J B Davis  
The Rt Hon the Lord Denman MC  
The Rt Hon the Lord Erroll of Hale PC TD  
Sir George Harvie-Watt BART TD DL QC  
A Louw  
H A Mackay  
M Maclachlan  
Sir Brian Massy-Greene  
W Mason Smith  
J R A M Storar  
R L Whiting  
A R O Williams OBE

**Directors**

Robert Annan

**Honorary President**

J R Stewardson

**Secretary**

49 Moorgate London EC2R 6BQ

**Registered Office**

Lloyds Bank Limited Registrar's Department  
The Causeway Goring-by-Sea Worthing Sussex

**Registrar**

# Group offices overseas

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## Australia

### **Consolidated Gold Fields Australia Limited**

Gold Fields House Sydney Cove Sydney

Chairman

Sir Brian Massy-Greene

## Canada

### **Newconex Holdings Limited**

Toronto-Dominion Centre Toronto

President

W A Robinson DSO

## South Africa

### **Gold Fields of South Africa Limited**

75 Fox Street Johannesburg

Chairman

A Louw

## United States of America

### **Gold Fields American Corporation**

Bankers Trust Building 280 Park Avenue New York

President

J H Nicholls



# Report of the Directors

The Directors present their Report and the audited accounts for the year ended 30 June 1972.

## Interests

The Company's principal activities cover mining finance, exploration and development, the promotion of mining companies, investment and the management and administration of subsidiary and associated companies operating in mining, construction materials, industry and commerce.

Group operations are summarised on pages 10-23. A list of principal subsidiaries, and of Group interests where the equity interest exceeds 10%, appears on pages 40-41. Other Group interests are shown on page 42.

## Group profit and loss account

The revenue of the Group for the year, excluding its share of the profit of the associated company referred to below, amounted to £28.3 million, an increase of £1.3 million compared with the previous year.

The major factor accounting for the improvement was an increase of £2.5 million in profit on realisation of investments reflecting the general strength of share prices, particularly in gold shares, during the latter half of the financial year. In addition the profit achieved by the construction materials companies was higher by £0.9 million. These increases were partly offset by a reduction of £1.0 million in dividends on investments and a similar reduction in net revenue of the mining companies.

The fall in dividend income was largely attributable to lower distributions by South African platinum companies, involving a decrease of £1.9 million, partly relieved by higher dividends from other sources including £0.8 million paid out of accumulated profits by Goldsworthy Mining Limited. The reduction in net revenue of the mining companies was principally accounted for by Mount Lyell, due to lower copper prices and increased costs, and by the Mount Goldsworthy joint venture, which was adversely affected by the reduction in iron ore sales to Japan. On the other hand, the losses incurred in the previous year by American Zinc in its mining and smelting operations were terminated.

The net revenue from the industrial and commercial companies improved by £0.5 million

to £2.4 million partly reflecting the recent acquisition of two industrial concerns by American Zinc.

The Group's share of profit of the associated company, amounting to £3 million, appears this year for the first time and refers to the 49% interest held in Gold Fields of South Africa Limited. This interest arose from the merger of West Witwatersrand Areas Limited, in which the Group previously held 42% of the equity, with the former Gold Fields of South Africa Limited, which was a wholly-owned subsidiary. Further information concerning the merger is contained in note 1 to the accounts on page 28, which also states the basis used for comparative figures.

After deducting expenses and interest the profit of the Group, including its share of profit of the associated company, amounted to £24.6 million, an increase of £1.8 million.

The total taxation charge, at £6.6 million, absorbed a lower proportion of the profit than in the previous year. This reduction was due to tax relief being unavailable in 1971 on the loss incurred by American Zinc in that year, coupled with favourable tax adjustments in respect of share transactions in 1972.

After deducting taxation and the interest of outside shareholders, the net profit attributable to the members of the Company showed an increase of £3.0 million at £14.3 million.

The sum of £5.5 million has been transferred to Group reserves and £7.5 million is required to meet the cost of dividends, leaving a balance of £1.3 million unappropriated. Of this amount £0.9 million has been retained by the associated company and £0.4 million has been added to Group profits carried forward.

## Group balance sheet Capital

During the year the authorised capital remained unchanged at £25 million. The issued capital was increased by the allotment of 1,224,300 Ordinary shares of 25p each under the terms of the Share Incentive Scheme approved by members on 23 November 1971. These shares were issued at 187p per share, are 1% paid, carry neither dividend nor voting rights and cannot be transferred until they are fully paid.



At an Extraordinary General Meeting held on 13 July 1972 the authorised capital was increased to £32 million, by the creation of 28 million Ordinary shares of 25p each. This increase created the shares required to cover the Company's offer for the Ordinary share capital of The Amey Group Limited. Acceptances have been received in respect of over 90% of the Ordinary shares of Amey and arrangements are in hand for the statutory acquisition of the balance. The offer will result in the issue of 21,061,784 Gold Fields Ordinary shares.

### **Reserves**

The reserves of the Group rose by £2.1 million to £69.5 million, of which those not available for distribution amounted to £49.7 million and those representing profit retentions stood at £19.8 million.

The sum of £5.5 million was transferred to Investment and Exploration Reserve. Charges against this reserve amounted to £4.1 million, comprising £3.3 million in respect of adjustments in the value of investments and £0.8 million written off exploration projects. The Investment and Exploration Reserve has thus been strengthened by £1.4 million to £6.4 million.

### **Outside shareholders' interests**

The interests of outside shareholders in the capital and reserves of subsidiary companies increased by £2.5 million to £28.9 million. Virtually all of the increase was attributable to the Australian group companies, reflecting profit retentions and movements in rates of exchange.

### **Debentures and loans**

The Group total decreased by £2.8 million to £44.2 million. Two subsidiaries in the United Kingdom redeemed £7.5 million of debenture stock and in the United States bank indebtedness was reduced by £8.0 million. These reductions were partly offset by a net increase of £12.2 million in medium-term bank loans raised by the Parent Company.

Implementation of the terms of the Company's offer to acquire the entire capital of The Amey Group will result in the issue of £550,000 7½% Unsecured Loan Stock and £500,000 8½% Unsecured Loan Stock in exchange for like amounts of 6½% and 7% Preference shares, respectively, in Amey.

### **Assets**

Fixed assets before depreciation decreased by £8.1 million to £125.9 million, principally due to sales of mining and smelting assets by American Zinc. Substantial expenditure has been incurred by mining subsidiaries in Australia, by Amalgamated Roadstone and Wheal Jane in the United Kingdom, and by American Zinc in acquiring new businesses in the United States.

The Directors are of the opinion that the property of the Group has a market value in excess of the value shown in the balance sheet. The nature of the Group's activities is such that no realistic assessment can be made of the market value of certain mining properties.

The book value of the Group's interest in the associated company, Gold Fields of South Africa Limited, at 30 June 1972, was £27.5 million. This comprised £23.8 million being the cost of the 49% interest, plus £3.7 million, the Group's share of profits retained since acquisition. The stock exchange value of the Group's shareholding amounted to £97.2 million.

The book value of the Group's other investments amounted to £51.5 million, compared with £50.2 million at the end of the previous year. These investments have been included at or under cost and, where quoted, in no case above stock exchange value. This value at 30 June 1972 totalled £143 million against a comparable figure of £109 million. Since the introduction in June 1972 of exchange control regulations relating to countries in the former Sterling area, the London share prices of portfolio investment in South African and Australian companies have included an investment currency premium. It is estimated that approximately £11 million of the increase in value of the portfolio is attributable to this factor.

Net current assets at £22.7 million increased by £0.8 million. Information showing the source and application of Group funds is given on page 35.

Group assets, taking stock exchange values for quoted investments, including the associated company but excluding export finance debtors, amounted to £404 million. The percentage distribution of these assets in various areas of the world is shown on page 37.



### **Dividends**

The Directors recommend a final dividend of 4.6p per Ordinary share on the capital as increased by the acquisition of The Amey Group Limited. With the interim dividend of 2.9p paid in May, this makes a total of 7.5p per share for the year compared with a total of 7.3p per share paid last year on the smaller capital then in issue. Provided the dividend is approved at the Annual General Meeting it will be paid on 1 December 1972 to holders of Ordinary shares registered in the books of the Company on 3 November and to holders of Coupon No. 110 detached from share warrants to bearer.

### **Additional information**

During the year under review goods to the value of £15.5 million were exported from the United Kingdom by Group companies. This figure relates to only a small part of the Group's business, the major part of which is concerned with operations overseas.

Information relating to subscriptions and donations, Group turnover and Directors' interests is given on pages 29, 36 and 43, which are to be regarded as part of this Report.

### **Substantial interests**

So far as the Directors are aware, no shareholder, corporate or individual, has an interest amounting to 10% or more of the equity capital of the Company.

### **Staff**

The average number of persons employed by Group companies in the United Kingdom was

7,694 and their aggregate remuneration for the year amounted to £14 million. In addition, some 80,000 persons were employed overseas by subsidiaries and associated companies.

The Directors wish to record their appreciation of the services of all employees of the Group both at home and overseas. They also extend a welcome to all those employed by the Amey group.

### **Directors**

On 31 December 1971 Mr R A Hope resigned from the Board in order to resume his executive appointment with Gold Fields of South Africa Limited.

The Directors have pleasure in recording that, in recognition of his services to finance, mining and Government in Australia, Sir Brian Massy-Greene was honoured with a Knighthood in the Queen's birthday honours list.

Sir George Harvie-Watt, Mr A Louw, Sir Brian Massy-Greene and Mr J R A M Storar retire by rotation and offer themselves for re-election.

Mr R W Amey, who was appointed to the Board on 28 September 1972, retires in accordance with the Articles of Association and offers himself for re-election.

### **Auditors**

Messrs Turquand, Youngs & Co., who are, as a result of a recent merger, now practising as Messrs Turquands Barton Mayhew & Co., are willing to continue in office.

By Order of the Board  
J R Stewardson  
Secretary

27 October 1972



# Salient features

	1972 £'000	1971† £'000
<b>Profit before taxation</b>	24,624	22,823
<b>Taxation</b>	6,688	8,722
<b>Net profit attributable to the members of the Company</b> per Ordinary share	14,301 16.50p	11,389 13.07p
<b>Ordinary dividends</b> cost to the Company per share	7,433 7.5p	6,292 7.3p
<b>Shareholders' funds</b> Issued capital and reserves	92,200	90,100
<b>Capital employed</b> Shareholders' funds, outside shareholders' interests, debentures and loans and deferred liabilities	184,100	178,800
<b>Fixed assets</b>	82,200	78,200
<b>Net current assets</b>	22,700	21,900
<b>Quoted investments</b> (including interest in associated company) book value stock exchange value	71,400 240,400	69,800 173,400

†Revised for comparative purposes as indicated in note 1 on page 28

# Group operations

## Gold Fields of South Africa Limited

The acquisition of the assets of the former Gold Fields of South Africa Limited by West Witwatersrand Areas Limited, referred to last year, became effective from 1 July 1971. In November, the merged company raised approximately £8.7 million by a rights issue and changed its name to Gold Fields of South Africa Limited.

This amalgamation enlarged an existing quoted mining finance house. Net assets at 30 June 1972, including stock exchange values for quoted investments, amounted to some £170 million. It is intended that the majority of the Group's activities in Southern Africa will be channelled in future through Gold Fields of South Africa in which the Group's beneficial interest is 49%.

The group profit before tax of Gold Fields of South Africa amounted to £6.4 million, the comparable figure for the previous year being £5.6 million. The increase in profit was largely attributable to higher dividend income coupled with a rise in the surplus on the realisation of investments. After deducting tax and minority interests, net profit amounted to £5.8 million. Dividends declared amounted to £3.9 million on the capital as increased by the merger.

## Gold

At the beginning of July 1971 the free market price of gold was about \$40 per ounce. During the next six months the price rose steadily to reach approximately \$44 per ounce at the beginning of January 1972. In the following six months the rate of increase accelerated and by the end of June the price was above \$64 per ounce. These record prices coupled with devaluation of the Rand in December 1971 significantly increased the value of gold sales by Group mines and made it possible for lower grade ores to be mined profitably. The official price was increased from \$35 to \$38 per ounce in December following the international currency crisis. Towards the end of the year, the South African Reserve Bank decided, as a result of a marked improvement in the country's balance of payments, to retain a proportion of current gold production in reserves. It is estimated that since May 1972 the Reserve Bank has retained about one-third of production in reserves. As a consequence the full benefit of the free market price has not been passed on to the mines.

# Southern Africa

Gold production during the year from Group mines fell by over 9% to 5.7 million ounces due principally to a reduction in milling rates following fires at West Driefontein and Kloof and to lower grades.

Nevertheless, sales of gold at enhanced prices lifted the aggregate working profit to a new record of £46.3 million compared with £44.0 million last year. Taxation and State's share of profit absorbed £24.4 million and total distributions to shareholders were a record £16.9 million.

## West Driefontein Gold Mining Company Limited

Production of gold at this mine (Group beneficial interest 21%) fell by 8% during the year to 2.6 million ounces due to a fire in the southern area of the mine at the start of 1972 and a serious pressure burst in the same area during March. The dewatering of the No. 4 shaft area was completed and access gained to all levels by December 1971. Working profit rose to £28.1 million reflecting the rising gold price and dividends declared during the year were raised to £10.0 million compared with £8.9 million in the previous year.

## East Driefontein Gold Mining Company Limited

Good progress is being maintained in the development of this new mine (Group beneficial interest 27%). Since operations started in 1968 capital expenditure has amounted to £28.1 million. A rights issue was made in May 1972 which raised £10.5 million.

The No. 2 shaft, which is planned to reach a final depth of 6,600 feet, was sunk to 6,000 feet and preliminary development is proceeding from this shaft. The surface installations were completed during the year.

Under a tributing agreement with the adjoining West Driefontein mine, East Driefontein will be able to mine ore in the former company's No. 4 shaft area until 31 March 1973 against payment of a royalty. Mining of this ore began in December 1971 and, following trial runs during the first three months of 1972, normal milling operations were in progress throughout the final quarter of the year. Production of gold amounted to 91,000 ounces resulting in a working profit, after royalty payments, of £36,000.





*The interior of the reduction plant at East Driefontein, the Group's newest gold mine on the West Wits Line, which began milling ore in January this year. Full production, at a milling rate of 180,000 tons a month, is planned for 1976.*



### **Kloof Gold Mining Company Limited**

The underground fire which started in June 1971 near the main shaft system severely curtailed operations for the first six months and largely accounted for a 17% drop in gold production for the year. Working profit declined by £1.0 million to £5.8 million. The company (Group beneficial interest 26%) increased its distribution on the ordinary shares and combined units by £600,000 to £2.0 million. Bank loans were reduced by some £500,000 to £1.3 million.

Sinking and equipping of the sub-vertical shaft system is well advanced. No. 1 sub-vertical shaft has reached its final depth of 2,200 feet which is 8,600 feet below surface and is expected to be fully commissioned in December 1972. Sinking of No. 2 sub-vertical shaft started towards the end of 1971 and is expected to be completed in 1975.

### **Libanon Gold Mining Company Limited**

Gold output at this mine (Group beneficial interest 14%) fell marginally to 680,000 ounces. Working profit for the year increased by £1.3 million to a record £5.7 million. Dividends rose from £1.7 million to £2.0 million. This mine has substantial tonnages of low grade ore and stands to benefit in the long term from rising gold prices.

### **Doornfontein Gold Mining Company Limited**

The Group has a 20% beneficial interest in this mine. Despite a fall in output of 6% to 675,000 ounces, working profit rose from £3.1 million to £3.9 million. Higher dividends were declared by the company costing £1.3 million compared with £1.2 million last year.

### **Platinum**

Through its holding in the Waterval and Union Platinum companies, the Group's beneficial interest in Rustenburg Platinum Mines Limited, the world's largest producer, was 21% at 30 June 1972.

Conditions in the platinum industry continued to be difficult throughout the year and a further cut back in production was announced in December. The interim dividend for the year ended 31 August 1972 was passed and this, together with a lower final dividend for the previous year, resulted in a reduction of approximately £1.9 million in the dividend income of the Group.

Agreement in principle was reached during the year for Rustenburg to acquire all the platinum interests and the platinum bearing land of a consortium of companies which have supply agreements with Rustenburg. The object of this purchase is to facilitate the marketing of platinum and the future development of the company. The consideration is to be a 24% interest in Rustenburg which, subject to the agreement of shareholders, will be settled by the issue of shares in Union Platinum. On completion of the purchase the Group's indirect interest in the enlarged Rustenburg company will be reduced to 16%.

### **Vanadium and zinc**

The South West Africa Company, Limited (Group beneficial interest 16%) made a profit before tax of £121,000 compared with £722,000 in the previous year. Revenue from vanadium production was reduced due to lower prices and production, the latter having been affected by a labour dispute during the year. The dividends received from Tsumeb Corporation Limited amounted to £66,000 compared with £208,000 in the previous year.

The working profit of Kiln Products Limited (Group beneficial interest 19%) rose from £144,000 to £324,000 for the year and a maiden dividend of £115,000 was paid. Additional plant is being installed with a view to improving zinc recovery and reducing costs.

Zinc Corporation of South Africa Limited (Group beneficial interest 21%) achieved a profit before tax of £546,000 for the year ended 31 December 1971 compared with £76,000 in the previous year. A maiden dividend of £281,000 was declared. Profit for the first six months of 1972 was above the total for 1971. This company produces South Africa's entire requirements of electrolytic zinc and, in addition, supplies the major part of the country's other zinc metal needs.

### **Tin**

The Rooiberg Minerals Development Company, Limited (Group beneficial interest 13%) increased production of tin in concentrates by 4% to just over 1,500 tons. Working profit rose by £80,000 to nearly £696,000. A new vertical shaft is being sunk and a flotation plant is being installed, both of which are expected to be commissioned by the end of 1972.





*Tribal dancing is very popular among African employees of the South African gold mining companies. In this photograph Swazis are seen performing at a Group mine.*



### Coal

The working profit of Apex Mines Limited (Group beneficial interest 15%) fell from £485,000 to £411,000 for the year to June 1972. This fall was due to cost inflation but results for the second six months showed a marked improvement due to the rise in the official price of coal.

Substantial capital expenditure will be required to enable the company to meet its commitments to supply coal to the Japanese steel industry under a long term contract starting in 1976.

### Diamonds

At Star Diamonds (Pty) Limited (Group beneficial interest 17%) total carats recovered rose by 18% due largely to an improvement in grade and recovery. Working profit increased by £70,000 to £81,000 and the company renewed dividend payments with a distribution of £34,000.

### Base metal investment and other minerals

The principal source of revenue of Vogelstruisbult Metal Holdings Limited (Group beneficial interest 31%) is dividend income from its holdings in base metal companies. In the year to 30 June it achieved a marginally higher profit before tax of £452,000.

Glenover Phosphate Limited (Group beneficial interest 40%) made a working profit of £82,000. Agreement has been reached on a new long term contract for the sale of its product for the next ten years.

Zwartkloof Fluorspar Limited (Group beneficial interest 42%) made progress in resolving the

metallurgical difficulties experienced in the previous year. Working profit for the year was £118,000. However, a shortage of ore of the required grade is presenting a serious problem.

### Exploration

Investigations are continuing into the feasibility of establishing a gold mine in the Deelkraal area south of the Doornfontein mine.

The group has intensified its exploration activities in the base metal field and continues to investigate several non-metallic mineral prospects.

### Mining investment

Group profit before tax of New Witwatersrand Gold Exploration Company, Limited (Group beneficial interest 24%) was virtually maintained at £1.0 million. The market value of its portfolio, including unquoted investments at Directors' valuation, amounted to £11.3 million on 30 June 1972.

### Property

In January 1972 The Sub Nigel Limited, which ceased gold mining in December, acquired all the issued shares of The Luipaards Vlei Estate and Gold Mining Company, Limited and New Durban Gold and Industrials Limited and changed its name to Gold Fields Property Company Limited (Group beneficial interest 25%). This property group is undertaking the development of a residential complex in Durban. In addition proposals for fifteen townships in the Transvaal and Natal are being formulated.

Profit before tax amounted to £1.2 million and dividends totalling £390,000 were declared.



# Australasia

## Consolidated Gold Fields Australia Limited

The Group's principal interests in Australia and New Zealand are held through Consolidated Gold Fields Australia Limited in which the Group interest is 68%.

Consolidated profit before tax amounted to £9.0 million, a decrease of 15% compared with the previous year. The results were affected by lower copper prices, reduced profits from the sale of investments, and a smaller contribution from the Mount Goldsworthy iron ore venture.

After deducting tax of £3.2 million and minority interests of £1.6 million, net profit amounted to £4.2 million compared with £4.5 million last year.

## Iron Ore

Shipments of iron ore from the Mount Goldsworthy joint venture in north-west Western Australia were 6.4 million tons compared with 6.9 million tons last year. Virtually all production is sold to Japan and the lower sales were a direct result of the decline in Japanese steel production and the Japanese seamen's strike towards the end of the year.

The proportion of profit before tax attributable to Consolidated Gold Fields Australia from its one-third interest in the joint venture was £2.3 million, compared with £3.5 million in the previous year. This fall was largely attributable to lower shipments and the adverse effect of fluctuations in currency exchange rates during the year. £1.9 million of the £2.3 million profit was included in profit and loss account of Consolidated Gold Fields Australia and the balance of £400,000 was retained by Goldsworthy Mining Limited, which provides services to the joint venturers. In addition, Consolidated Gold Fields Australia received a dividend of £830,000 from this company, paid out of accumulated profits.

As a result of continued exploration in Western Australia 210 miles south of Port Hedland, an estimated 480 million tons of high-grade low phosphorus iron ore has so far been discovered. Bulk samples are being metallurgically tested.

At the McCamey's Monster project in Western Australia, in which Consolidated Gold Fields Australia has an 11% interest, exploration and evaluation work was in progress throughout the year.

## Copper

The expansion programme of The Mount Lyell Mining and Railway Company Limited (Group beneficial interest 38%), begun in 1968, is well on the way to completion. It is designed to increase production of copper to 27,000 tons per annum in 1973 principally by developing new underground operations. During the year some 41% of total ore mined was obtained from underground sources.

Production of copper increased from 20,700 tons to 22,100 tons. However, pre-tax profit fell by 57% to £1.1 million, reflecting the lower copper prices received throughout the year.

Sulphuric acid production by North-West Acid Pty Limited, in which Mount Lyell has a 50% interest, continued but was adversely affected by operating difficulties.

In October 1971, Consolidated Gold Fields Australia in conjunction with the Mitsubishi Group of Japan successfully tendered for the acquisition of mining properties in Queensland, known as the Gunpowder Complex. Consolidated Gold Fields Australia holds a 70% interest in the joint venture. Mining has been centred on one small deposit, and resulted in the production of 2,000 tons of copper during the year. An extensive exploration programme has been mounted in this mineralised area covering some 250 square miles.

## Tin

The profit before tax at Renison Limited (Group beneficial interest 32%) rose to a new record of £1.7 million, an increase of 77% on the previous year.

Tonnage milled was 12% higher at 457,600 tons but both the grade of ore milled and the average tin price realised were marginally lower than last year. However, recovery of tin metal in concentrates at 3,900 tons was substantially higher than in any previous year.

The results for the year reflect management's success in improving metallurgical treatment processes and in containing costs.

Exploration activity disclosed additional ore reserves of good grade but there was a small decrease in total reserves due to the elimination of tonnages now considered uneconomic.





*Restoration of Australian coastal areas, where dredging has taken place for beach minerals, is an important part of the activities of Associated Minerals. The landscape shown in this photograph has been recontoured and replanted. The lake in the centre was retained to establish a habitat for water fowl.*

### **Ilmenite, rutile and zircon**

Production of rutile by Associated Minerals Consolidated Limited (Group beneficial interest 41%), the world's largest producer of rutile and zircon, was virtually unchanged at 118,800 tons. Production of zircon fell by 13,900 tons to 98,800 tons. Profit before tax at £1.4 million was unchanged.

Ore reserves at 30 June 1972 were 1.8 million tons of rutile and 1.7 million tons of zircon of which a major part is currently available for mining.

Production of ilmenite and secondary minerals, including zircon, at Western Titanium N.L. (Group beneficial interest 56%) increased by 8.5% to 312,300 tons. Profit before tax was higher at £610,000. Title to the large tonnages of heavy minerals discovered at Eneabba last year is still the subject of litigation.

### **Coal**

During the last three years The Bellambi Coal Company Limited (Group beneficial interest 46%) has been continuing with an expansion programme. The combined production of coal and coke was 14% higher than in the previous year and a comparable increase in sales revenue resulted in a profit before tax of £429,000 compared with £305,000 last year.

In the early part of the year operations were again affected by industrial unrest. Production of coke was concentrated at two plants following the closure of a third operation in November 1971.

### **Exploration**

Group companies continued to achieve success in the expansion of ore reserves and the discovery of new ore bodies, and Consolidated

Gold Fields Australia participated during the year in a broad spread of new exploration ventures.

### **Mining investment**

In general, market prices of most industrial metals remained at low levels during the year, while the Australian stock market boom of 1969 and 1970 was followed by a period of reaction.

This situation was reflected in the profit before tax of Commonwealth Mining Investments (Australia) Limited (Group beneficial interest 41%) which fell by 33% to £963,000.

At 30 June 1972 the net asset value of the company, taking quoted investments at market value, amounted to £8.8 million compared with £9.7 million at the previous year end.

### **Industrial**

The combined profits before tax of Zip Holdings Limited (Group beneficial interest 35%) and Lawrenson Alumasc Holdings Limited (Group beneficial interest 34%) increased by £52,000 to £369,000. This largely reflected higher turnover and improved profit margins arising from rationalisation of Zip's activities.

### **Property**

Gold Fields House in Sydney, of which Consolidated Gold Fields Australia is head lessor, continues to be fully let and made an increased contribution to group profit.

In March 1972, Lion Properties Pty Limited was formed as a wholly-owned subsidiary of Consolidated Gold Fields Australia to operate in the field of property development. It has a 50% interest in the development of a new waterfront residential estate in New South Wales.





*The division which American Zinc acquired from Westinghouse Air Brake Company in March 1972, manufactures specialist drilling rigs and equipment for the oil, construction and mining industries. The photograph shows a rig being used for soil sampling as part of an oil prospecting programme in the North Sea.*

# Canada

## **Newconex Holdings Limited**

The Group's interest in Canadian mining, exploration, industry and finance was maintained through its 59% holding in Newconex. Profit before tax was £768,000 compared with last year's figure of £1.0 million, the reduction being due to a fall in the surplus on realisation of investments from £530,000 to £290,000. Last year's profit from this source included £327,000 from the sale of a subsidiary. Net assets were maintained at £7.4 million and the dividend was unchanged.

Vancouver Equipment Corporation Limited (Group beneficial interest 53%) achieved an increase in profit before tax at £343,000 despite a lower turnover resulting from the loss of certain agencies.

From January 1972 the Group's Canadian exploration activities were expanded with Newconex and Consolidated Gold Fields contributing equally to the enlarged programme, mainly in the Provinces of British Columbia, Quebec and the Northwest Territories.

# United States of America

## **Gold Fields American Corporation**

This wholly-owned subsidiary co-ordinates the Group's activities in the United States. During the year the company completed the sale of its interest in the New Market zinc mine in Tennessee to American Smelting and Refining Company for £1.7 million. The proceeds, together with loan repayments by American Zinc, enabled the company to reduce its bank indebtedness by £2.4 million to £856,000.

## **American Zinc Company**

During the year this company (Group beneficial interest 61%) sold its mining assets in Tennessee, together with its stone division and zinc oxide plants, to American Smelting and Refining Company for £9.3 million. Further sums, contingent upon the zinc price and upon production from the properties sold, may be received for five years from the date of sale. At the year end these receipts were at the rate of approximately £400,000 per annum. In June 1972 American Metal Climax, Inc. exercised its option to purchase for £1.2 million the East St. Louis electrolytic zinc smelter, which had been closed down in 1971. The proceeds from these sales of assets were used to repay in full its bank loans of £9.5 million and to reduce loans from Group companies by £1.2 million.

As a first step in re-establishing American Zinc, the assets of two industrial businesses were acquired. In March 1972, the drilling equipment division of Westinghouse Air Brake Company, operating in Oklahoma, was purchased for approximately £4.5 million. Its drilling rigs and

other specialist equipment have an international reputation for quality and performance. Profit before tax in the year prior to purchase was £759,000 on sales of £6.2 million. The second acquisition was the purchase of the assets of the Brown-Strauss Corporation, in May 1972, for some £3.9 million. Brown-Strauss operates a steel distribution and warehousing business in Kansas City and its growth in sales and earnings has been considerable in recent years. Pre-tax profit in the year prior to acquisition was £804,000 on sales of £6.6 million. These acquisitions were financed in part from American Zinc's own resources and in part by raising short-term bank loans of £4.9 million. The latter will be repaid from the proceeds of a rights issue announced shortly after the year end.

The acquisition of these two new divisions came too late in the year to offset completely American Zinc's operating deficit. After making provision for all write-offs American Zinc recorded a net loss of £159,000 compared with an operating loss of £2.0 million last year.

## **Gofmil Inc.**

This wholly-owned subsidiary (formerly Buell Engineering Company, Inc.) last year sold its assets to Envirotech Corporation for £2.0 million, the consideration being £743,000 cash plus 138,000 Envirotech ordinary shares. Envirotech designs and manufactures a wide range of specialist equipment for pollution control. In June 1972 Gofmil sold half its holding in Envirotech at a profit of £583,000.





*New crushing, screening and coating plants at Amalgamated Roadstone's Castle-an-Dinas quarry in Cornwall were officially opened in April 1972. This picture shows the primary crusher which has a peak capacity of 600 tons of stone per hour.*



# United Kingdom

## Construction materials

The wholly-owned Amalgamated Roadstone Corporation Limited had another successful trading year despite the effects of power cuts resulting from the coal miners' strike and also industrial action by railway workers. Sales by the company, whose main interests lie in the quarrying and processing of construction materials, rose by nearly £5 million to £42.3 million. Profit before tax increased by 34% to £3.7 million.

The group's aggregates divisions, which are responsible for the extraction of stone, sand and gravel and its sizing and coating, once again contributed the major proportion of both revenue and profit. Total deliveries of aggregates increased to 18.8 million tons in spite of a decline in expenditure on construction and maintenance of roads. The ready-mixed concrete activities of the company, which use a significant proportion of the group's sand and gravel output, also had a particularly good year. Turnover from aggregates and ready-mixed concrete rose from £27.3 million to £30.4 million, reflecting the substantial investment in plant and machinery in recent years.

ARC (Concrete), which manufactures pipes and other concrete products, increased its turnover and again improved its operating profit by over 50% to £522,000. The road surfacing and civil engineering subsidiary, Amalgamated Roadstone Construction, also doubled its profit and turnover rose to £4.4 million.

The group's road haulage and warehousing subsidiary, Greenwoods Transport, achieved a 26% improvement in operating profit to £381,000. A new warehouse was established at Hoddesdon in Hertfordshire.

Trading of the shipping subsidiary, Comben Longstaff & Company, suffered because of the depressed state of Baltic and European freight rates and markets. Modernisation of its fleet of small cargo carriers will enable the company to take full advantage of any up-turn in trade.

The disturbances in Ireland adversely affected the level of trade there and results from both quarrying operations and the manufacture of concrete products were disappointing.

In order to provide for continued growth, capital expenditure for replacement and expansion of production facilities was maintained at a high level and amounted to £6.7 million. Approximately £2 million was spent on mobile plant, vehicles and minor improvements and the balance of £4.7 million on major expansion projects. These included the modernisation of plant at Black Rock quarry in Somerset, where aggregates will be produced for use in the construction of the M5 motorway and later for supplying the market around Bristol. A new crushing and screening plant and a new coating plant at Craig-yr-Hesg quarry in South Wales has recently been completed. The stone from this quarry is of exceptional quality and the improved production facilities will enable demand to be met over a wider area.

At Castle-an-Dinas quarry in Cornwall the new treatment plant has been completed and is operating successfully. Shipments of stone are being made from Cornwall to the Continent as well as to the company's depot at Greenwich for the London market. Improvements are being made to the loading facilities at Newlyn Harbour near Penzance to enable larger tonnages of stone to be loaded more rapidly.

A system of distribution by rail is being developed. Rail depots have been established at Allington in Kent, Ardingly in Sussex and West Drayton near London. Work has also begun on rail depots at Totton near Southampton and at Wolverton in Buckinghamshire, where the new town of Milton Keynes has created a strong market for aggregates. A coating plant has been installed at the Great Linford gravel pit which will use rail-borne stone as well as locally produced gravel.

Safeguarding the environment continues to be an important consideration and every endeavour is made to ensure that all land is used in the best interests of Amalgamated Roadstone and the community. The rehabilitation of worked-out land for agricultural use and the landscaping and tree planting at workings continues. Fishing and sailing facilities are now available to the public on a commercial basis at a growing number of company properties, while arrangements have been made with The Game Conservancy to establish a wildfowl reserve at Great Linford in Buckinghamshire.





*Amalgamated Roadstone is actively engaged in converting its worked-out sand and gravel pits into recreation areas including marinas and wild life reserves. This picture shows a boating lake, formerly part of the Thrapston pit, Northants. This restoration scheme won a Sand and Gravel Association plaque award in 1971.*

## Commercial

C. Tennant, Sons & Company Limited, which is wholly-owned, made a group profit before tax of £322,000 compared with £440,000 last year.

The turnover of Tennant Guaranty, which finances U.K. exports, increased by 48% to over £27 million and profit before tax rose from £216,000 to £386,000.

Tennant Trading, which trades in metals, minerals, chemicals and general exports, incurred a loss of £153,000 compared with last year's profit of £283,000. The loss was largely attributable to the depressed state of its main world markets and exceptional losses on certain mineral contracts.

Other subsidiaries in the Tennant group which contributed to profits were Tennant Budd and Roderic Pratt, insurance brokers, and Ingersoll Locks, makers of security devices.

## Industrial

Owing to the difficult trading conditions existing, particularly during the early part of the year, the turnover of the United Kingdom industrial subsidiaries fell by £500,000 to £5.7 million. Combined profits before tax were £954,000 compared with £981,000 for the previous year.

Alumasc Limited, a wholly-owned subsidiary which supplies to industry a wide range of products manufactured by deep drawing, high and low pressure die casting and hot pressing non-ferrous metals including aluminium, brass, bronze and special alloys, is the major contributor to the profits of this section of the Group's activities. Both sales and profit were lower than for the previous year but substantial expenditure on new plant has ensured a high level of efficiency in the works and the company is well equipped to take full advantage of an improvement in trading conditions.

## Tin

After three months of trial operations, routine production started on 1 October 1971 at Wheal Jane Limited, a wholly-owned subsidiary. During the nine months' operation to 30 June, 79,000 tons of ore were treated in the mill to recover 650 tons of tin metal in concentrates. In addition, a small quantity of copper-zinc-silver concentrates was produced.

Technical problems and a combination of low tin prices and high operating costs accounted for the net loss for the period of £470,000.

Owing to excessive amounts of very fine material produced in grinding the ore, high losses of tin occurred in the treatment plant. Remedial action resulted in considerably lower tin losses in the last four months of the year and further modifications are in hand. Because of the limited ore hoisting capacity available in the No. 2 Shaft, it was not possible to operate the treatment plant at full capacity. The deepening and re-equipping of Clemow shaft should be completed by March 1973, and until then there will be some limitation on production.

Mine development is proceeding at a high rate to build up the reserve of ore available for immediate extraction and to provide for an expansion in production. The ore disclosed by this work continues to confirm the potential indicated by the initial surface drilling of the property.

The total number of people employed by Wheal Jane at the end of the year was 390, of whom some 80% have been recruited in Cornwall.

## Exploration

Exploration Ventures Limited, owned jointly by Consolidated Gold Fields and Rio Tinto-Zinc, continued with its programme of field work in north-east Scotland to identify base metal drilling targets. Drilling to test some of these target areas is now in progress but it is too early to draw any conclusions from the limited amount completed to date.

A number of other areas in England and Scotland are being actively investigated by Gold Fields' own exploration teams.

Advantage is being taken of the Mineral Exploration Grants Scheme whereby the Government contributes 35% of the cost of approved exploration programmes. While the incentive offered by this Government scheme is appreciated, it is unlikely to be fully effective until new mineral legislation has been introduced to overcome the difficulty of obtaining prospecting and mining rights in certain cases.



# Report of the auditors

To the members of  
**Consolidated Gold Fields Limited**

In our opinion the accounts on pages 25 to 34 comply with the Companies Acts 1948 and 1967 and give, so far as concerns members of the Company, a true and fair view of the state of affairs of the Company and the Group at 30 June 1972 and of the profit of the Group for the year ended on that date. The accounts of certain subsidiaries and the associated company have been audited by other firms.

**Turquands Barton Mayhew & Co.**  
Chartered Accountants

London  
10 October 1972

# Group profit and loss account

year ended 30 June 1972

Consolidated Gold Fields Limited and subsidiaries

	Note	1972		1971	
		£'000	£'000	£'000	£'000
<b>Revenue</b>					
Dividends on investments	3		5,391		6,401
Profit on realisation of investments	4		7,844		5,301
Net revenue of:					
Mining companies			6,833		7,884
Construction materials companies			4,804		3,895
Industrial and commercial companies			2,451		1,901
Fees and sundry revenue			1,041		1,634
			28,364		27,016
Administration, technical and general expenses		3,825		3,481	
Debenture and loan interest	5	2,975	6,800	3,511	6,992
			21,564		20,024
Share of profit of associated company	2		3,060		2,799
<b>Profit before taxation</b>			24,624		22,823
Taxation					
Group	6	6,432		8,553	
Associated company		256	6,688	169	8,722
<b>Net profit for the year</b>			17,936		14,101
Attributable to outside shareholders			3,635		2,761
<b>Attributable to the members of Consolidated Gold Fields Limited</b>			14,301		11,340
<b>Dividends</b>					
Paid and recommended by Consolidated Gold Fields Limited—gross	7		7,513		6,372
<b>Retained</b>					
Appropriation to Group investment and exploration reserve			5,500		3,957
Increase in Group unappropriated profits			346		119
In associated company			942		892
			14,301		11,340
Earnings per Ordinary share	8		16.50p		13.07p

No charge has been made against the profit shown above in respect of investment depreciation and exploration expenditure written off. The Group's proportion has been charged against investment and exploration reserve and amounted to £4,071,000 (£7,317,000)

These accounts should be read in conjunction with the notes on pages 28 to 34



# Group balance sheet

Consolidated Gold Fields Limited and subsidiaries

at 30 June 1972

	Note	1972		1971	
		£'000	£'000	£'000	£'000
<b>Assets employed</b>					
Fixed assets	14		82,267		78,227
*Associated company	16		27,579		28,443
*Investments	17		51,539		50,263
Current assets					
Stocks	18	23,027		16,236	
Debtors		44,232		43,780	
Cash and deposits		16,488		15,514	
		<u>83,747</u>		<u>75,530</u>	
Current liabilities					
Creditors	19	37,898		34,498	
Bank overdrafts		23,104		19,075	
		<u>61,002</u>		<u>53,573</u>	
Net current assets			22,745		21,957
			<b>184,130</b>		<b>178,890</b>
<b>Financed by</b>					
Capital and reserves					
Issued capital	20		22,692		22,689
Reserves	21		69,574		67,489
			<u>92,266</u>		<u>90,178</u>
Outside shareholders' interests			28,916		26,414
Debentures and loans	22		44,283		47,051
Deferred liabilities	23		18,665		15,247
			<b>184,130</b>		<b>178,890</b>

\*The stock exchange value of the quoted investments and of the investment in the associated company exceeded their book values included above by

**169,028**

**103,624**

These accounts should be read in conjunction with the notes on pages 28 to 34

# Company balance sheet

at 30 June 1972

Consolidated Gold Fields Limited

	Note	1972		1971	
		£'000	£'000	£'000	£'000
<b>Assets employed</b>					
Fixed assets	14		283		312
Subsidiary companies	15		110,451		104,393
*Associated company	16		8,397		8,036
*Investments	17		18,421		14,257
Current assets					
Stocks	18	474		—	
Debtors		4,303		3,301	
Cash and deposits		6,481		6,347	
		11,258		9,648	
Current liabilities	19	7,340		7,268	
Net current assets			3,918		2,380
			<b>141,470</b>		<b>129,378</b>
<b>Financed by</b>					
Capital and reserves					
Issued capital	20		22,692		22,689
Reserves	21		82,778		82,900
			105,470		105,589
Debentures and loans	22		35,943		23,681
Deferred liabilities	23		57		108
			<b>141,470</b>		<b>129,378</b>

\*The stock exchange value of the quoted investments and of the investment in the associated company exceeded their book values included above by

**119,060**

**71,956**

**M. E. Rich** *Director*

**G. J. Mortimer** *Director*

These accounts should be read in conjunction with the notes on pages 28 to 34



# Notes to the accounts

## 1 Gold Fields of South Africa Limited

Up to 30 June 1971 Gold Fields' operations in South Africa were administered by a wholly owned subsidiary, Gold Fields of South Africa Ltd. (GFSA). With effect from that date a merger of that company with West Witwatersrand Areas Ltd. (West Wits), in which Gold Fields' interest was then 42%, took place whereby GFSA transferred its assets, other than its holding in West Wits, to that company. The consideration for the transfer was 3,350,000 fully paid shares in West Wits and Gold Fields' holding in the enlarged company, which assumed the name of Gold Fields of South Africa Ltd., is now 49%

The comparative figures for 1971 have been revised to show the effect as though the merger had been in force throughout that financial year. Earnings of the former GFSA and dividends receivable from West Wits have been excluded from the Group profit and loss account and replaced by 49% of the combined profits of West Wits and the former GFSA. Group balance sheet comparatives have been revised by aggregating the holding in West Wits at 30 June 1971 with the book value of net assets transferred to that company by the former GFSA with effect from that date

## 2 Accounting for the results of associated companies

Commencing this year the results of associated companies have been dealt with as follows:

- In the case of Gold Fields of South Africa Ltd. (formerly West Witwatersrand Areas Ltd.), by including in the Group consolidated profit the share of profit attributable to the Group's 49% interest in that company
- In the case of all other associated companies, by including only dividends receivable as in previous years. Inclusion of the results of these companies, on the same basis as in (a) above would cause delay in the presentation of Group accounts out of proportion to the value to the members of Gold Fields and could in a number of cases be misleading due to the difference between the accounting policies of certain associated companies and those of the Group

## 3 Dividends on investments

The Group income from this source was divided as between:

	1972 £'000	1971 £'000
Quoted investments	4,276	6,095
Unquoted investments	1,115	306
	<u>5,391</u>	<u>6,401</u>

## 4 Profit on realisation of investments

This item includes £423,000 (£715,000) recovered in respect of amounts previously written off which, under the provisions of the Companies Acts 1948 and 1967, is regarded as drawn from reserves

## 5 Interest payable

The Group charge for the year comprised interest on:

	1972 £'000	1971 £'000
(a) Debentures and loans:		
Bank loans	1,684	1,923
Other debentures and loans:		
repayable wholly within five years	34	33
other	1,257	1,555
As shown in Group profit and loss account	<u>2,975</u>	<u>3,511</u>
(b) Bank overdrafts:		
Interest payable by the Group on bank overdrafts amounted to £1,731,000 (£1,691,000)		

## 6 Taxation

(a) The Group charge comprised:

	1972 £'000	1971 £'000
Overseas taxation	4,783	6,379
United Kingdom Corporation Tax at 40% (40%)	1,809	1,956
Adjustments in respect of previous years	(91)	290
Overspill relief	(69)	(72)
	<u>6,432</u>	<u>8,553</u>

The United Kingdom tax charge shown above is after deducting relief in respect of double taxation amounting to £2,847,000 (£3,323,000)

(b) Additional taxation would arise in the event of:

- Distribution of profits from the associated company and from certain subsidiary companies abroad
- Disposal of investments and of the interest in the associated company at the valuations stated

(c) The close company provisions of the Finance Act 1965 did not apply to the Company during the year under review and no change in this status has occurred since the end of the financial year

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## 7 Dividends paid and recommended

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	1972 £'000	1971 £'000
Preference 7% per annum	80	80
Ordinary interim dividend of 2.9p per share (2.9p) paid 19 May 1972 final dividend of 4.6p per share (4.4p) now recommended (including provision for dividend on shares issued after the year end for the acquisition of the Ordinary share capital of The Amey Group Ltd.)	2,500	2,500
	4,933	3,792
	7,513	6,372

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## 8 Earnings per Ordinary share

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The calculation of earnings per share is based on 86,185,236 fully paid Ordinary shares in issue throughout the two years ended 30 June 1972, and earnings of £14,221,000 (£11,260,000) being the net profit attributable to the members of Consolidated Gold Fields Limited before charging investment depreciation and exploration expenditure written off (dealt with through the reserves) and after providing for dividends on preference capital

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## 9 Hire of plant and machinery

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The charge to Group revenue for the year was £1,163,000 (£1,039,000)

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## 10 Directors' emoluments

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The total emoluments of the Directors of the Parent Company comprised:

	1972 £'000	1971 £'000
As Directors	98	69
As Executives	307	321
	405	390

The emoluments (other than pension contributions) of those Directors whose duties were wholly or mainly discharged in the United Kingdom were as indicated below:

	Number of Directors	
	1972	1971
Not exceeding £2,500	4	4
Between £2,500 and £5,000	2	1
Between £7,500 and £10,000	—	1
Between £10,000 and £12,500	—	1
Between £12,500 and £15,000	3	2
Between £15,000 and £17,500	2	1
Between £20,000 and £22,500	1	1
Between £22,500 and £25,000	—	2
Between £25,000 and £27,500	1	—
Between £27,500 and £30,000	1	—
Between £30,000 and £32,500	—	1
Between £50,000 and £52,500	1	1
	15	15

The emoluments of the Chairman were £52,425 (£50,238)

Pensions paid in respect of past executive services amounted to £5,000 (£6,000)  
In addition, increases in pensions in respect of past executive services were funded by the Company at a cost of £10,000 (Nil)

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## 11 Auditors' remuneration

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The Group charge for the year amounted to £139,000 (£131,000)

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## 12 Subscriptions and donations

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A total of £3,747 (£3,596) was donated for charitable purposes by Group companies in the United Kingdom

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## 13 Parent Company's profit

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Of the profit of £14,301,000 (£11,340,000) attributable to the members of Consolidated Gold Fields Limited, £7,993,000 (£9,427,000) has been dealt with in the accounts of the Company



## 14 Fixed assets

	Parent	Group			
	Total	Property	Mining leases and development	Plant and machinery	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation:					
At 1 July 1971 (as previously reported)	593	29,081	15,664	95,161	139,906
Relating to assets transferred by a subsidiary to the associated company	—	(3,603)	—	(2,277)	(5,880)
Revised figures at 1 July 1971	593	25,478	15,664	92,884	134,026
New subsidiaries	—	14	—	163	177
Capital expenditure	5	3,561	7,135	12,722	23,418
Exchange adjustments	—	171	600	1,340	2,111
Disposals	(5)	(7,583)	(3,118)	(23,132)	(33,833)
At 30 June 1972	593	21,641	20,281	83,977	125,899
Depreciation:					
At 1 July 1971 (as previously reported)	281	7,946	3,410	45,465	56,821
Relating to assets transferred as above	—	(10)	—	(1,012)	(1,022)
Revised figures at 1 July 1971	281	7,936	3,410	44,453	55,799
New subsidiaries	—	4	—	102	106
Charged to profit and loss account (1971: Group £8,288,000)	33	746	1,491	6,786	9,023
Exchange adjustments	—	(32)	97	572	637
On disposals	(4)	(4,991)	(947)	(15,995)	(21,933)
At 30 June 1972	310	3,663	4,051	35,918	43,632
Net balance sheet value	283	17,978	16,230	48,059	82,267

United Kingdom Investment Grants received have been applied against the cost of the fixed assets

At 30 June 1972, the fixed assets of the Group, before deducting depreciation, were made up as follows:

	£'000	£'000
At cost		123,875
By reference to valuations in the following years:		
1937	143	
1956	237	
1963	1,644	
		2,024
		125,899

The Property of the Group comprised the following:

	1972 £'000	1971 £'000
Cost or valuation:		
Freehold	18,655	22,744
Leasehold—50 years or more unexpired	328	228
Leasehold—short	2,658	2,506
	21,641	25,478

## 15 Subsidiary companies

	1972 £'000	1971 £'000
Shares at cost less amounts written off	79,420	79,023
Unsecured notes at cost	1,314	397
Advances less provisions	31,376	25,204
Amounts due	(1,659)	(231)
	110,451	104,393

## 16 Associated company

	Parent		Group	
	1972 £'000	1971 £'000	1972 £'000	1971 £'000
Shares in Gold Fields of South Africa Ltd. (formerly West Witwatersrand Areas Ltd.) at cost	8,397	8,036	23,814	25,211*
Post acquisition retained profits			3,765	3,232
			27,579	28,443
Stock exchange value	47,467	31,730	97,203	64,256*

As a result of Exchange Control regulations issued in June 1972, South Africa is no longer within the sterling area. The holding by United Kingdom Group companies in the associated company is regarded by the Bank of England as a direct investment not ranking for sale through the investment currency market and the stock exchange value given does not therefore include any premium element

\*1971: The figures of £25,211,000 (stock exchange value £64,256,000) are made up as to £10,651,000 representing the cost of shares held by the Gold Fields Group in West Witwatersrand Areas Ltd. at 30 June 1971 (stock exchange value at that date £37,773,000), and as to £14,560,000 (Directors' valuation £26,483,000) representing the book value of assets transferred to West Witwatersrand Areas Ltd. by the former Gold Fields of South Africa Ltd. pursuant to the merger described in note 1

## 17 Investments, other than in subsidiaries and in the associated company

	Parent		Group	
	1972	1971	1972	1971
	£'000	£'000	£'000	£'000
Quoted	18,132	13,967	43,806	41,338
Unquoted	117	125	6,249	7,708
Properties and ventures	172	165	1,484	1,217
	18,421	14,257	51,539	50,263
Stock exchange value of quoted investments	98,122	62,229	143,210	109,149

The Exchange Control regulations introduced in June 1972 resulted in portfolio investment in former sterling area countries becoming available for sale through the investment currency market. The stock exchange value of the Group's quoted investments at 30 June 1972 of £143,210,000 includes investment premium of some £11 million in respect of those areas

Quoted investments are included at or under cost but in no case above the stock exchange value at 30 June 1972. The Directors have considered it desirable to retain the book value of certain holdings below both cost and stock exchange value. Unquoted investments and properties and ventures are included at cost less amounts written off

Book value of investments quoted outside the United Kingdom	2,981	2,821	20,970	19,218
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Directors' valuation of unquoted investments	134	157	6,902	7,861
--	-----	-----	-------	-------

Proportion of surplus of stock exchange value of quoted investments over their book value attributable to outside shareholders in subsidiary companies	—	—	1,668	1,814
--	---	---	-------	-------

Amounts written off investments by the Parent Company have been charged to investment and exploration reserve. In the case of the Group investments, in addition to the amount charged to Group investment and exploration reserve—see note 21(b)—£1,340,000 (£1,400,000) has been charged to outside shareholders' interests

## 18 Stocks

Stocks on hand at 30 June 1972, which include work in progress, are shown at the lower of cost or net realisable value except in the case of Australian mining companies where stocks allocated for delivery against specific forward sales contracts over the next six months have been included at estimated net realisable value this year. The effect of the change in the basis at 1 July 1971 was to increase the value of stocks by £2,202,000 which, after deducting deferred income tax and the proportion attributable to outside shareholders, has been added to unappropriated profits—see note 21(b). Had the present method of valuation been adopted during the year ended 30 June 1971, the net profit attributable to the members would not have been materially different from that previously reported

## 19 Creditors

	Parent		Group	
	1972	1971	1972	1971
	£'000	£'000	£'000	£'000
Creditors	2,080	3,057	28,134	25,909
Taxation, including United Kingdom Corporation Tax payable 1 January 1973	327	419	4,831	4,797
Proposed final ordinary dividend — gross	4,933	3,792	4,933	3,792
	7,340	7,268	37,898	34,498

## 20 Capital

	1972	1971
	£'000	£'000
Authorised:		
95,425,888 Ordinary shares of 25p each	23,857	23,857
679,393 7% First cumulative preference shares of £1 each	679	679
464,135 7% Second cumulative preference shares of £1 each	464	464
	25,000	25,000
Issued:		
86,185,236 Ordinary shares of 25p each—fully paid	21,546	21,546
1,224,300 Ordinary shares of 25p each—1% paid	3	—
679,393 7% First cumulative preference shares of £1 each, fully paid	679	679
464,135 7% Second cumulative preference shares of £1 each, fully paid	464	464
	22,692	22,689

The partly paid Ordinary shares were issued during the year under the Company's share incentive scheme



**(a) Not available for distribution:**

In arriving at the figure included in the Group balance sheet, the excess of the cost of shares in subsidiary companies over the book value of their net assets at the dates of acquisition (less other non-distributable Group reserves) has been deducted as shown in the second column below:

	Share premium of Parent Company £'000	Deductions £'000	As included in Group balance sheet £'000
Balance at 1 July 1971 (as previously reported)	77,934	28,590	49,344
Arising from the merger of interests (note 1)		(1,142)	
Revised balance at 1 July 1971	77,934	27,448	50,486
Premium on shares issued during the year, less expenses	18		
Discount on redemption of debentures by a subsidiary		(440)	
Arising from alterations in exchange rates		1,025	
Goodwill purchased by a subsidiary		1,170	
Adjustments arising from amounts written off interests in subsidiaries and sundry items		(946)	
Balance at 30 June 1972	77,952	28,257	49,695
<b>(b) Profits retained:</b>			
	Parent £'000	£'000	Group £'000
General reserve:			
Balance at 1 July 1971 (as previously reported)	2,250		8,107
Arising from the merger of interests (note 1)	—		(120)
Revised balance at 1 July 1971	2,250		7,987
Arising from alterations in exchange rates	—		(123)
Balance at 30 June 1972	—	2,250	7,864
Investment and exploration reserve:			
Balance at 1 July 1971 (as previously reported)	2,262		5,531
Arising from the merger of interests (note 1)	—		(399)
Revised balance at 1 July 1971	2,262		5,132
Transfer from profit and loss account	500		5,500
Written off investments, including subsidiary companies	(234)		(3,291)
Exploration expenditure written off	(386)		(780)
Arising from alterations in exchange rates	—		(120)
Balance at 30 June 1972	—	2,142	6,441
Unappropriated profits:			
Balance at 1 July 1971 (as previously reported)	454		1,025
Arising from the merger of interests (note 1)	—		(373)
Revised balance at 1 July 1971	454		652
Surplus (deficit) for year	(20)		346
Arising from change in basis of valuation of stocks by Australian mining subsidiaries (note 18)	—		640
Arising from alterations in exchange rates	—		182
Arising from variations in shareholdings in subsidiaries	—		(11)
Balance at 30 June 1972	—	434	1,809
Associated company—share of post acquisition retained profits at 30 June 1972		—	3,765
		4,826	19,879
<b>(c) Summary:</b>			
Not available for distribution		77,952	49,695
Profits retained		4,826	19,879
<b>Total reserves as shown in balance sheets</b>		<b>82,778</b>	<b>69,574</b>

## 22 Debentures and loans

	Parent		Group	
	1972	1971	1972	1971
	£'000	£'000	£'000	£'000
Secured:				
7½% Guaranteed Debenture Stock 1980/85	—	—	—	4,126
6% Debenture Stock 1983/88	—	—	—	1,118
6½% Debenture Stock 1985/90	—	—	—	1,207
7½% Debenture Stock 1986/91	—	—	—	999
Bank loans	2,061	2,188	6,764	5,841
Other debentures and loans:				
repayable either wholly or in part more than five years hence	—	—	379	379
repayable wholly within five years	—	—	97	135
	<u>2,061</u>	<u>2,188</u>	<u>7,240</u>	<u>13,805</u>
Unsecured:				
6½% Loan Stock 1987/92	1,712	1,712	1,712	1,712
8½% Loan Stock 1988/93	8,698	8,698	8,698	8,698
7½% Loan Stock 1999/2004	1,856	1,856	1,856	1,856
Bank loans	21,616	9,227	23,669	19,632
Other debentures and loans:				
repayable either wholly or in part more than five years hence	—	—	1,027	1,081
repayable wholly within five years	—	—	81	267
	<u>35,943</u>	<u>23,681</u>	<u>44,283</u>	<u>47,051</u>
Territorial analysis:				
United Kingdom	35,943	23,681	42,067	36,091
North America	—	—	1,838	10,126
Australasia	—	—	378	834
	<u>35,943</u>	<u>23,681</u>	<u>44,283</u>	<u>47,051</u>

The interest rates on 'Other debentures and loans' included above, at 30 June 1972, ranged from nil to 9½% p.a. and repayments are due at varying dates up to 1991

## 23 Deferred liabilities

	Parent		Group	
	1972	1971	1972	1971
	£'000	£'000	£'000	£'000
Taxation:				
Set aside to avoid fluctuations in taxation charges	—	—	17,755	13,326
United Kingdom Corporation Tax payable 1 January 1974	7	73	479	1,387
Other	50	35	50	35
Pensions	—	—	284	445
Property purchases	—	—	97	54
	<u>57</u>	<u>108</u>	<u>18,665</u>	<u>15,247</u>

## 24 Secured liabilities

	Group	
	1972	1971
	£'000	£'000
Debentures and loans	7,240	13,805
Creditors	681	838
Bank overdrafts	9,180	8,944
	<u>17,101</u>	<u>23,587</u>



## 25 Borrowing powers

Included in secured liabilities (see note 24) are borrowings by the Tennant group of companies to provide export finance facilities for United Kingdom industry. To the extent that such borrowings are secured by a British Government department they are not required to be taken into account when determining the limitation placed by the Company's Articles upon the borrowing powers of the Group. At 30 June 1972, the total amount to be thus excluded was £6.62 million (£6.99 million)

## 26 Contingent liabilities

	Parent		Group	
	1972 £'000	1971 £'000	1972 £'000	1971 £'000
Guarantees:				
in respect of borrowings by subsidiary companies	9,863	13,507	—	—
other	—	—	5,856	6,160
Obligations in respect of Mount Goldsworthy iron ore project including those under contract	—	—	6,006	8,679
Loan facilities, uncalled capital on investments, etc.	—	—	1,401	864
	<u>9,863</u>	<u>13,507</u>	<u>13,263</u>	<u>15,703</u>

In addition, the Parent Company and the Group have a contingent liability under a guarantee in respect of the sale during 1971 of a subsidiary company's assets, the amount of which, if any, is not capable of determination

## 27 Capital commitments

	Group	
	1972 £'000	1971 £'000
Contracts for capital expenditure not provided for	4,336	6,667
Capital expenditure approved by the boards of the companies concerned, but for which contracts had not been placed	3,086	2,773
	<u>7,422</u>	<u>9,440</u>

## 28 Currencies

(a) The following currencies have been converted into sterling at the rates indicated below:

Australian	\$2.048	South African	R1.954
Canadian	\$2.406	United States	\$2.443
New Zealand	\$2.048		

(b) Other currencies have been converted at the rates ruling at 30 June 1972

(c) Investment dollars have been converted taking into account the premium rate ruling at 30 June 1972 of 12½%. Where applicable, the stock exchange value of the quoted investments takes account of 75% of this premium

## 29 Additional information

Additional statutory information in compliance with the Companies Act 1967 will be found as follows:

Group turnover and profit—page 36

Principal subsidiary companies and principal interests of the Parent Company—included with the information on pages 40 and 41

# Source and application of Group funds

	1972 £'000	1971* £'000
<b>Source of funds</b>		
Net income excluding profits retained by the associated company	16,994	13,209
Depreciation of fixed assets	9,023	8,288
Deferred taxation and provisions, increase	2,023	3,003
Change in basis of valuation of stocks	2,202	—
Sundry sources	111	120
	<b>30,353</b>	<b>24,620</b>
<b>Application of funds</b>		
Dividends paid: by Parent Company	7,513	6,372
to outside shareholders of subsidiaries	1,896	2,013
	<b>9,409</b>	<b>8,385</b>
Expenditure on fixed assets	10,763	15,088
Investment in associated company	769	—
Portfolio and other investment	5,360	5,441
Exploration	1,163	1,076
Long term debt, decrease	2,101	3,343
Costs of closure of certain American Zinc operations	—	499
Increase in net current assets	788	(9,212)
	<b>30,353</b>	<b>24,620</b>

\*Revised for comparative purposes as indicated in note 1 on page 28



# Group turnover and profit

	1972		1971*	
	Turnover	Profit	Turnover	Profit
	£'000	£'000	£'000	£'000
Dividends on investments	5,391	5,391	6,401	6,401
Realisation of investments	25,185	7,844	18,421	5,301
Mining companies:				
Sales of products and services	49,447	6,833	65,982	7,884
Construction materials companies:				
Sales of products and services	42,366	4,804	37,175	3,895
Industrial and commercial companies:				
Sales of manufactured goods	22,783	2,009	26,549	1,462
Agency, financing and confirming sales	68,194	442	65,989	439
Fees and sundry revenue	1,041	1,041	1,634	1,634
	214,407	28,364	222,151	27,016
Administration, technical and general expenses		3,825		3,481
Debenture and loan interest		2,975		3,511
<b>Group turnover</b>	<b>214,407</b>		<b>222,151</b>	
		21,564		20,024
Share of profit of associated company		3,060		2,799
<b>Profit before taxation</b>		<b>24,624</b>		<b>22,823</b>

## Territorial distribution 1972

Dividends on investments £5.4 million		Profit on realisation of investments £7.8 million		Profit from mining, construction materials, industrial and commercial operations £14.1 million	
1972		1972		1972	
South Africa	61%	South Africa	42%	Australia	53%
Australia	22%	UK	28%	UK	40%
Canada/USA	9%	Canada/USA	21%	Canada/USA	7%
UK	8%	Australia	9%	South Africa	—
1971*		1971*		1971*	
South Africa	78%	South Africa	24%	Australia	67%
Australia	5%	UK	10%	UK	37%
Canada/USA	9%	Canada/USA	41%	Canada/USA	(-4%)
UK	8%	Australia	25%	South Africa	—

\*Revised for comparative purposes as indicated in note 1 on page 28

# Analysis of Group revenue

including share of profit of associated company

	Australia	Canada/ USA	South Africa	UK	Total
	%	%	%	%	%
Gold	—	—	16	—	16
Construction materials	—	—	—	15	15
Iron ore	9	—	—	—	9
Ilmenite, rutile and zircon	6	—	—	—	6
Tin	5	—	—	(1)	4
Copper	2	—	—	—	2
Platinum	—	—	2	—	2
Other metals and minerals	5	2	—	—	7
Industrial commercial and mining finance	2	2	2	6	12
	29	4	20	20	73
Share dealing profits	3	5	12	7	27
<b>Area totals</b>	<b>32</b>	<b>9</b>	<b>32</b>	<b>27</b>	<b>100</b>

## Total revenue £31.4 million

including fees and sundry revenue  
and share of profit of associated  
company

1972

Australia	32%
South Africa	32%
UK	27%
Canada/USA	9%

1971\*

Australia	39%
South Africa	32%
UK	23%
Canada/USA	6%

## Group assets £404 million

1972

South Africa	50%
UK	22%
Australia	19%
Canada/USA	9%

1971\*

South Africa	41%
UK	25%
Australia	21%
Canada/USA	13%



# Ten year financial summary

figures in £'000s

	1963	1964	1965
<b>Earnings</b>			
<b>Revenue</b>			
Dividends on investments	5,496	5,920	6,400
Profit on realisation of investments	1,480	1,779	2,068
Mining companies—net revenue	752	1,951	3,111
Construction materials companies—net revenue	—	—	—
Industrial and commercial companies—net revenue	403	1,114	1,406
Fees and sundry revenue	2,088	2,223	2,455
	<b>10,219</b>	<b>12,987</b>	<b>15,440</b>
<b>Expenses</b>			
Administration, technical and general expenses	2,503	2,654	2,955
Debenture and loan interest	417	744	880
	7,299	9,589	11,605
Share of profit of associated company	—	—	—
<b>Profit before taxation</b>	<b>7,299</b>	<b>9,589</b>	<b>11,605</b>
Taxation	2,619	3,667	4,035
Net profit for the year	4,680	5,922	7,570
Attributable to outside shareholders	459	817	1,303
<b>Net profit attributable to members</b>	<b>4,221</b>	<b>5,105</b>	<b>6,267</b>
<b>Allocation of profit</b>			
Dividends paid (net to April 1966, gross thereafter)	2,121	2,333	2,704
Retained	2,100	2,772	3,563
	4,221	5,105	6,267
†Earnings per Ordinary share	8.42p	9.90p	10.96p
†Dividends per Ordinary share—gross	6.52p	7.12p	7.76p
Charged to investment and exploration reserve	716	999	1,400
†Adjusted in respect of increases in capital			
<b>Capital employed</b>			
<b>Net assets</b>			
Fixed assets	12,135	14,043	20,950
*Associated company (at book value)	—	—	—
*Investments (at book value)	26,435	29,291	33,229
Current assets	19,645	31,995	37,072
	58,215	75,329	91,251
Current liabilities	7,950	21,548	22,674
	<b>50,265</b>	<b>53,781</b>	<b>68,577</b>
<b>Share capital, etc</b>			
Capital	14,528	15,000	16,500
Group reserves	15,393	16,905	21,264
Outside shareholders' interests	7,009	7,555	10,557
Loan capital	11,944	12,219	17,126
Deferred liabilities	1,391	2,102	3,130
	<b>50,265</b>	<b>53,781</b>	<b>68,577</b>
*The stock exchange value of the quoted investments and of the investment in the associated company exceeded their book values included above by	23,140	34,057	46,964

1966	1967	1968	1969	1970	1971	1972
6,926	6,738	7,778	8,125	9,383	6,401	5,391
2,340	2,680	4,701	8,007	6,279	5,301	7,844
3,794	2,547	4,052	6,682	11,067	7,884	6,833
—	—	397	1,702	2,810	3,895	4,804
1,282	1,527	2,062	2,497	3,158	1,901	2,451
2,818	2,924	3,671	4,646	4,572	1,634	1,041
<b>17,160</b>	<b>16,416</b>	<b>22,661</b>	<b>31,659</b>	<b>37,269</b>	<b>27,016</b>	<b>28,364</b>
3,224	3,590	4,301	5,083	5,499	3,481	3,825
1,330	1,595	2,013	3,232	3,995	3,511	2,975
12,606	11,231	16,347	23,344	27,775	20,024	21,564
—	—	—	—	—	2,799	3,060
<b>12,606</b>	<b>11,231</b>	<b>16,347</b>	<b>23,344</b>	<b>27,775</b>	<b>22,823</b>	<b>24,624</b>
3,674	3,621	5,020	8,678	10,479	8,722	6,688
8,932	7,610	11,327	14,666	17,296	14,101	17,936
1,689	1,372	2,295	3,580	4,579	2,761	3,635
<b>7,243</b>	<b>6,238</b>	<b>9,032</b>	<b>11,086</b>	<b>12,717</b>	<b>11,340</b>	<b>14,301</b>
3,870	4,425	4,952	5,807	6,364	6,372	7,513
3,373	1,813	4,080	5,279	6,353	4,968	6,788
7,243	6,238	9,032	11,086	12,717	11,340	14,301
12.54p	10.08p	13.32p	14.22p	15.28p	13.07p	16.50p
6.57p	6.62p	6.96p	7.17p	7.29p	7.3p	7.5p
224	529	1,101	5,922	7,894	7,317	4,071
28,464	36,264	52,629	74,090	82,172	78,227	82,267
—	—	—	—	—	28,443	27,579
38,101	42,085	54,842	65,630	64,315	50,263	51,539
41,098	48,076	71,708	81,330	96,449	75,530	83,747
107,663	126,425	179,179	221,050	242,936	232,463	245,132
27,491	29,542	40,415	53,452	58,549	53,573	61,002
<b>80,172</b>	<b>96,883</b>	<b>138,764</b>	<b>167,598</b>	<b>184,387</b>	<b>178,890</b>	<b>184,130</b>
16,500	17,625	20,221	20,554	22,689	22,689	22,692
24,411	31,025	51,993	53,957	64,346	67,489	69,574
12,314	17,714	25,188	29,690	32,371	26,414	28,916
23,476	26,581	36,114	54,398	52,460	47,051	44,283
3,471	3,938	5,248	8,999	12,521	15,247	18,665
<b>80,172</b>	<b>96,883</b>	<b>138,764</b>	<b>167,598</b>	<b>184,387</b>	<b>178,890</b>	<b>184,130</b>
58,057	60,494	150,382	111,936	92,465	103,624	169,028

The figures for 1971 and 1972 reflect the merger of interests and inclusion of the share of profit of the associated company described in notes 1 and 2 on page 28



# Principal subsidiaries and principal Group interests in which the equity interest exceeds 10%

Country of incorporation and principal operations	Direct interests of		Beneficial interest of CGF in equity	Principal activities
	CGF and subsidiaries (see Note 1)	GFSA and its associated companies		
	%	%	%	
<b>South Africa</b>				
<b>Gold Fields of South Africa Ltd</b>	49 ‡	—	49	Holding and finance
Gold Fields Mining and Development Ltd	—	100	49	Management and investment
Blyvooruitzicht Gold Mining Co Ltd	1 *	12	6	Gold mining
Doornfontein Gold Mining Co Ltd	11 ‡	19	20	
East Driefontein Gold Mining Co Ltd	7 ‡	33	23	
Combined Units	76 ‡	5	79	
Kloof Gold Mining Co Ltd	6 ‡	22	17	
Combined Units	23 *	53	49	
Libanon Gold Mining Co Ltd	—	29	14	
Venterspost Gold Mining Co Ltd	—	13	6	
Vlakfontein Gold Mining Co Ltd	5	18	13	
West Driefontein Gold Mining Co Ltd	12 *	21	21	
Apex Mines Ltd	—	45	15	Coal mining
Gold Fields Cementation Mining Co Ltd	—	50	22	Mining engineering
Glenover Phosphate Ltd	—	100	40	Phosphate mining
Kiln Products Ltd	—	61	19	Production of zinc oxide
New Witwatersrand Gold Exploration Co Ltd	—	49	24	Mining investment
Rooiberg Minerals Development Co Ltd	—	38	13	Tin mining
South African Quarry Industries Ltd ‡	—	17	4	Lime and gravel
South West Africa Co Ltd ( <i>incorporated in the UK</i> )	2 *	40	16	Zinc and vanadium mining
Star Diamonds (Pty) Ltd	—	100	17	Diamond mining
Union Platinum Mining Co Ltd	10 ‡	8	14	Holding company—platinum
Union Tin Mines Ltd	—	32	10	Tin mining
Vierfontein Colliery Ltd ‡	14 *	—	14	Coal mining
Vogelstruisbult Metal Holdings Ltd	5 ‡	65	31	Base metal investment
Waterval (Rustenburg) Platinum Mining Co Ltd	45 *	1	46	Holding company—platinum
Witwatersrand Deep Ltd	—	76	37	Mining finance
Zinc Corporation of South Africa Ltd	—	65	21	Zinc smelting
Zwartkloof Fluorspar Ltd	—	100	42	Fluorspar mining
GF Industrial Holdings Co Ltd	—	100	45	Holding company
Alucab Holdings (Pty) Ltd	—	100	45	Aluminium conductors
Hunslet Taylor Consolidated (Pty) Ltd	—	93	42	Locomotives, mining equipment
Hunslet Taylor-Eimco Sales (Pty) Ltd	—	100	42	Marketing and general agency
South African Rubber Manufacturing Co Ltd	—	17	8	Industrial
Gold Fields Property Co Ltd	—	55	25	Holding company
New Durban Gold and Industrials Ltd	—	100	25	Property
Carletonville Estates Ltd	—	100	25	Property
Westcott and Associates Ltd	—	50	13	Construction
<b>Australia</b>				
<b>Consolidated Gold Fields Australia Ltd</b>	68	—	68	Finance and management
Associated Minerals Consolidated Ltd	63	—	41	Rutile and zircon mining
Bellambi Coal Co Ltd	68	—	46	Coal mining and coke production
Commonwealth Mining Investments (Australia) Ltd	60	—	41	Mining investment
Goldsworthy Mining Ltd ‡	33	—	23	Iron ore mining
Gunpowder Copper Ltd	70	—	48	Copper mining and exploration
Lawrenson Alumasc Holdings Ltd	50	—	34	Aluminium and plastic products
Mount Lyell Mining and Railway Co Ltd	56	—	38	Copper mining
North-West Acid Pty Ltd ‡	50	—	19	Sulphuric acid production
OT Lempriere & Co Ltd ‡	21	—	14	Tin smelting
Renison Ltd	68	—	32	Tin mining
Western Titanium NL	85	—	56	Ilmenite mining
<b>Canada</b>				
<b>Newconex Holdings Ltd</b>	59	—	59	Finance and management
Newconex Canadian Exploration Ltd	100	—	59	Mining exploration
Vancouver Equipment Corporation Ltd	100	—	53	Plant sales
<b>New Zealand</b>				
Zip Holdings Ltd	51	—	35	Domestic hardware

## United Kingdom and Europe

<b>Gold Fields Mining &amp; Industrial Ltd</b>	100 *	–	100	Holding and finance
Alumasc Ltd	100	–	100	Aluminium products
Amalgamated Roadstone Corporation Ltd	100 *	–	100	Quarrying, sand and gravel, coated stone and concrete
Amalgamated Roadstone Construction Ltd	100	–	100	Road surfacing
ARC (Concrete) Ltd	100	–	100	Concrete products
Arcontrol Ltd	100	–	100	Electric control equipment
Comben Longstaff & Co Ltd	100	–	100	Shipping
Concrete Pipes Ltd ( <i>incorporated in Eire</i> )	100	–	100	Concrete products
Greenwoods Transport Ltd	100	–	100	General haulage
Ulster Limestone Corporation Ltd	60	–	60	Quarrying
A/S Bjolvefossen † ( <i>incorporated in Norway</i> )	27	–	27	Ferro-alloys
British-Borneo Petroleum Syndicate Ltd †	18	–	18	Holding and finance
Mining & Industrial Holdings Ltd	100	–	100	Investment
Mining and Metallurgical Agency Ltd	50	–	50	Marketing and general agency
C Tennant, Sons & Co Ltd	100 *	–	100	Holding and finance
Tennant Guaranty Ltd	100	–	100	Export finance
Tennant Trading Ltd	100	–	100	Trading and general agency
Tennant, Budd & Roderic Pratt Ltd	70	–	70	Insurance
Wheal Jane Ltd	100 ‡	–	100	Tin mining

## United States of America

<b>Gold Fields American Corporation</b>	100	–	100	Management
American Zinc Co	61 ‡	–	61	Steel stockists, drilling equipment

### Notes

1 (a) Those interests marked \* are held by CGF.

(b) Of the interests marked ‡ the following percentages are held by the parent company with the balance being held by wholly-owned subsidiaries:

Gold Fields of South Africa Ltd	24%	Union Platinum Mining Co Ltd	7%
Doornfontein Gold Mining Co Ltd	10%	Vogelstruisbult Metal Holdings Ltd	4%
East Driefontein Gold Mining Co Ltd	5%	Wheal Jane Ltd	20%
” ” ” ” ” Combined Units	74%	American Zinc Co	13%
Kloof Gold Mining Co Ltd	5%		

(c) All other interests are held by subsidiaries.

2 All the companies in the schedule are administered by the Group except those marked †.



# Other Group interests

in which 10% or less of the equity capital is held but where the Stock Exchange value of the holding at 30 June 1972, was in excess of £200,000

## Australia

	Principal activities
Broken Hill Proprietary Co Ltd	Iron, steel, oil and gas
Colonial Sugar Refining Co Ltd	Sugar refining and industrial
ICI Australia Ltd	Chemicals
MIM Holdings Ltd	Copper, lead, zinc and silver mining
Peko-Wallsend Ltd	Mining finance
Poseidon Ltd	Nickel
Utah Mining Australia Ltd	Coal mining
Western Mining Corporation Ltd	Nickel mining and other metals
Westralian Sands Ltd	Ilmenite mining
Woodside-Burmah Oil NL	Oil and gas exploration

## Canada

Canadian Industrial Gas & Oil Ltd	Oil and gas
Canadian Superior Oil Ltd	
Dome Petroleum Ltd	
Home Oil Co Ltd	
Falconbridge Nickel Mines Ltd	Nickel mining
International Nickel Company of Canada Ltd	
Cominco Ltd	Base metals and fertilisers Paper processing Lead and zinc mining Mining finance Uranium mining and steel Nickel, copper and zinc mining
MacMillan Bloedel Ltd	
Pine Point Mines Ltd	
Placer Development Ltd	
Rio Algom Mines Ltd	
Sherritt Gordon Mines Ltd	

## South Africa

Buffelsfontein Gold Mining Co Ltd	Gold and uranium mining
Harmony Gold Mining Co Ltd	
Vaal Reef Exploration and Mining Co Ltd	
Zandpan Gold Mining Co Ltd	
Elsburg Gold Mining Co Ltd	Gold mining
Kinross Mines Ltd	
Randfontein Estates Gold Mining Co, Witwatersrand, Ltd	
St Helena Gold Mines Ltd	
Southvaal Holdings Ltd	
Western Areas Gold Mining Co Ltd	
Western Deep Levels Ltd	
Western Holdings Ltd	
Winkelhaak Mines Ltd	
De Beers Consolidated Mines Ltd	Diamond mining Mining finance Copper mining Holding company—platinum Mining finance
Middle Witwatersrand (Western Areas) Ltd	
Palabora Mining Co Ltd	
Potgietersrust Platinums Ltd	
Union Corporation Ltd	

## United Kingdom and Europe

Beralt Tin and Wolfram Ltd	Tin and wolfram mining Tin mining
St Piran Mining Co Ltd	
British Petroleum Co Ltd	Oil and gas
Burmah Oil Co Ltd	
Petrofina S A	
'Shell' Transport and Trading Co Ltd	
Ultramar Co Ltd	Precious metals Electrical manufacturing Mining finance
Johnson Matthey & Co Ltd	
Philips Incandescent Lamp Co	
Selection Trust Ltd	

## United States of America

American Metal Climax Inc	Mining finance
American Smelting and Refining Co	
Cities Service Co	Oil and gas
Felmont Oil Corporation	
Phillips Petroleum Co	
Shell Oil Co	
Union Oil Co of California	
Kawecki Berylco Industries Inc	Chemicals Copper mining and smelting Lead and zinc mining Uranium processing and mining
Kennecott Copper Corporation	
St Joe Minerals Corporation	
United Nuclear Corporation	

# Directors' interests

including family interests

## Consolidated Gold Fields Limited – Ordinary shares of 25p each

	30 June 1972 partly paid	30 June 1972 fully paid	1 July 1971 fully paid
J D McCall	30,000	624	624
G J Mortimer	30,000	1,500	1,000
M E Rich	30,000	1,099	1,099
Major-General J H S Bowring	–	1,221	1,221
W J Busschau	–	1,000	1,000
Viscount Caldecote	–	222	222
J B Davis	15,000	555	555
Lord Denman	19,100	900	900
Lord Erroll of Hale	–	483	483
Sir George Harvie-Watt	–	1,210	710
A Louw	–	121	521
H A Mackay	22,500	200	111
M Maclachlan	–	–	–
Sir Brian Massy-Greene	–	527	527
W Mason Smith	–	400	400
J R A M Storar	–	333	833
R L Whiting	17,000	111	111
A R O Williams	–	840	840

Subsidiary companies	30 June 1972	1 July 1971
J B Davis		
The Bellambi Coal Co Ltd — Shares of Aus. \$0.50 each	1,000	1,000
Sir Brian Massy-Greene		
Consolidated Gold Fields Australia Ltd — Shares of Aus. \$1 each	8,200	8,200
W Mason Smith		
American Zinc Company — Shares of US \$1 each	100	100

### Notes

- 1 The partly paid Ordinary shares of the Company were allotted under the terms of the share incentive scheme approved in General Meeting on 23 November 1971. The scheme provides that the Board, at its discretion, may offer Ordinary shares to full time employees, including executive directors, of the Company and its United Kingdom subsidiaries. The shares, which are 1% paid, carry neither dividend nor voting rights and cannot be transferred until they are fully paid.
- 2 M Maclachlan held an interest throughout the year in 500 Second preference shares of £1 each in the Company.
- 3 All the interests shown at 30 June 1972 are beneficial.
- 4 Except as stated above, the Directors have no interests in the First or Second preference shares of the Company, the 6½%, 7½% or 8½% Unsecured loan stocks, or in the shares or debentures of any subsidiary company.
- 5 Between 30 June 1972 and 27 September 1972 the Directors' interests as shown above remained unchanged except that J D McCall increased his interest in the Company's fully paid Ordinary shares to 1,000



# Company calendar 1972

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## Ordinary shares

Interim dividend	Declared Paid	28 March 19 May
Final dividend	Recommended Payable	10 October 1 December to shareholders on the register on 3 November

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## Preference shares

7% first cumulative	Dividends paid	1 January and 1 July
7% second cumulative	Dividends paid	1 April and 1 October

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## Unsecured loan stock

6½% 1987/92	Interest paid	31 March and 30 September
8¼% 1988/93		
7¾% 1999/2004		

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<b>Half year results</b>	Announced	28 March
<b>Full year results</b>	Announced	10 October
<b>Report and accounts</b>	Issued	27 October
<b>Annual General Meeting</b>	Chartered Insurance Institute 20 Aldermanbury London EC2	21 November at 11.30 am
<b>Chairman's statement</b>	Delivered Circulated	21 November 24 November

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## Change of Address

Please notify any change in your address to:

The Registrar  
Consolidated Gold Fields Ltd  
Lloyds Bank Ltd  
Registrar's Department  
The Causeway  
Goring-by-Sea  
Worthing Sussex

or

The Johannesburg Registrar  
Consolidated Gold Fields Ltd  
75 Fox Street  
Johannesburg  
South Africa

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